

Message Text

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AMEMBASSY BEIRUT

AMEMBASSY TEHRAN

UNCLAS KUWAIT 4511

E.O. 11652: N/A

TAGS: BMEP, BTIO, BEXP, ECRE: KU

SUBJ: KUWAIT CEMENT PLANT EXTENSION: USED FACTORY SOUGHT

REF: A) KUWAIT 4441 (NOTAL) B) STATE 208993 C) KUWAIT 1818

D) KUWAIT 1549 E) STATE 085942

1. REF A OUTLINED DIFFICULTIES KUWAIT CEMENT CO. WAS HAVING IN LOCATING SUITABLE OFFER FROM FOREIGN CONTRACTORS TO DOUBLE PLANT'S CAPACITY AND BUILD NEW GRINDING PLANT. RECENTLY, EMBOFF HAS RECEIVED SEVERAL EXPRESSIONS OF INTEREST IN LOCATING USED PLANT OF RECENT VINTAGE FROM KNOWLEDGEABLE KUWAITIS, INDICATING KUWAIT CEMENT SERIOUSLY CONSIDERING THIS AS ALTERNATIVE TO CONSTRUCTING NEW EXTENSION TO PRESENT PLANT.

2. SPECIFICALLY REQUESTS HAVE COME FROM RECENTLY-FORMED AL-AHLIA TRADING AND INDUSTRIAL INVESTMENT CO., A CLOSED SHAREHOLDING COMPANY COMPRISING 83 YOUNG, MOSTLY US-EDUCATED KUWAITI BUSINESS AND PROFESSIONAL MEN FROM ESTABLISHMENT FAMILIES, AND FROM MOHAMAD MADOOH, ASST, SECRETARY FOR INDUSTRIAL AFFAIRS AT THE MIN OF COMMERCE AND INDUSTRY; BOTH LOOKING FOR WET-PROCESS CEMENT PLANTS WHICH HAVE MANY YEARS OF USEFULNESS REMAINING. EMBOFF SUPPLIED AL-AHLIA GROUP WITH NAMES OF AMERICAN CEMENT CO., NEWPORT BEACH, CA AND ENCK, HOLLINGSWORTH, AND REVEAUX OF LOUISVILLE KENTUCKY. FORMER'S PRESIDENT, W.T. PASCOE, INFORMED US DURING TELECON CONCERNING ANOTHER MATTER THAT HE HAD SEVERAL SUCH PLANTS AVAILABLE; WHILE LATTER CLAIMS ABILITY TO ACT AS GO-

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BETWEEN ON SUCH DEALS. WE ALSO PROVIDED THEM NAME OF F.P.

HILGARTNER OF EAST-WEST GROUP LTD., ROWLEY, MASS. AS SOMEONE WHO COULD ACT AS AGENT ON SUCH A DEAL. AL-AHLIA PLANS CONTACT PASCOE, ENCK, AND, POSSIBLY, HILGARTNER.

3. THIS APPEARS AS OPPORTUNITY FOR MEPD TO PUT TOGETHER CONSORTIUM BETWEEN OWNER OF USED OR EVEN UNUSED SURPLUS PLANT AND CONTRACTOR WHO CAN ASSEMBLE PLANT SUCH AS FULLER CO. (REF A) AND GET US INVOLVEMENT IN A PROJECT WHICH, THUS FAR, HAS BEEN LEFT TO EUROPEANS.

4. REQUEST COMMERCE INITIALLY MAKE EFFORT TO LOCATE OWNERS OF SUITABLE PLANTS AND HAVE THEM CONTACT EITHER KHALED SULTAN, CHAIRMAN, AL-AHLIA TRAD. AND CONT. CO., TELEX: 2154 PETROSERV, ATTN: AL-AHLIA; OR BABTAIN TRADING AND CONTRACTING CO. TELEX: 2272 KWT, ATTN: MOHAMAD MADOOH. IF THESE EFFORTS SUCCESSFUL THEN WE SHOULD TRY TO FORM CONSORTIUM ALONG LINES OUTLINED.

5. EITHER KUWAITI COMPANY HAS SUFFICIENT CONTACTS WITH KUWAIT CEMENT CO. TO ACT EFFECTIVELY AS AGENT FOR US FIRMS.

6. AFTER CABLE WRITTEN EMBOFF MET WITH REP MURCHISON INTERNATIONAL GROUP, PAUL SWENSEN. SWENSEN INFORMS US CLINT MURCHISON VISITING KUWAIT OCTOBER 29 - NOV 1 AND IS PREPARED TALK TO KUWAITIS ABOUT CEMENT PLANT AND PURCHASE OF LARGE AMOUNT OF CEMENT.
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